

RECYCLED WATER Order Instituting Rulemaking (R. 10-11-014)

Workshop 5

Day 1: October 23, 2012

Location: California Public Utilities Commission Auditorium, 505 Van Ness Avenue
San Francisco, California 94102

10:00-10:15 Workshop Overview and Introductions (Workshop moderators: Moises Chavez and Carmen Rocha, Division of Water and Audits)

10:15-11:45 Customer Education/Outreach and Market Potential and Incentives (Carmen Rocha, moderator, Division of Water and Audits)
(Panelists: John Tootle, Corporate Counsel, California Water Association and Joe Walters, Manager of Business Development and Regulatory Affairs, West Basin Water District)

1. What level of customer education/outreach is needed for recruiting/retaining customers for water recycled projects?
2. Strategies for determining the market potential for recycled water projects?
3. What type(s) and level of incentives are necessary for recruiting/retaining recycled water customers?
 - a. What type of criteria is use in establishing the recycled water incentives?

11:45-12:30 Ratemaking and Cost Allocation Issues Associated with Recycled Water Projects (Moises Chavez, moderator, Division of Water and Audits)

1. Should recycled water projects require different rate making treatment than other capital projects?
2. What criteria should be considered in designing/setting recycle water rates?
3. Where and how should stranded costs resulting from recycled water projects be determined and addressed?
 - a. How should water utilities account/compute water sales lost to recycled water projects and also the volumetric cost savings
4. How should the incremental costs associated with recycled water project(s) that are not recovered through recycled water rates be allocated among other utility customer classes?

12:30-1:30 Lunch

1:30-3:30 Continue Ratemaking and Cost Allocation Session

3:30-3:45 Break

3:45-4:45 Integrated Water Resource Management Planning

(Panelists: Richard Mills, Chief of Water Recycling and Desalination Section, Department of Water Resources,

Max Gomberg, Climate Change Mitigation Strategist, State Water Resources Control Board, and Chari Worster, Public Utilities Regulatory Analyst, CPUC Department of Rate Payer Advocates Water)

1. What factors should the Commission consider in developing its policy guidelines for recycled water projects to encourage and promote water resources management and planning among private and public recycled water purveyors?
2. In supporting integrated water resource management planning, what might the Commission consider doing to prevent inappropriate duplication of recycled water services by purveyors?
3. How specifically might the CPUC encourage the implementation of the AB32 Scoping Plan water- energy mitigation measure to increase recycled water supplies through linking water and sewer IOU's with the IRWM planning process and/or regional entities?

4:45-5:00 Concluding Remarks (Moises Chavez and Carmen Rocha)

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Day 2: October 24, 2012

Location: California Public Utilities Commission Auditorium, 505 Van Ness Avenue
San Francisco, California 94102

9:30-9:45 **Day 2 Workshop Overview and Introductions** (Workshop moderators: Moises Chavez and Carmen Rocha, Division of Water and Audits)

9:45-12:00 **Development of Policy Guidelines and Recommendations** (Carmen Rocha and Moises Chavez)

12:00-1:00 **Lunch**

1:00-3:00 **Development of Potential Criteria for Recycled Water Project Applications and Review Proposed Tier 3 Advice Letter Template** (Carmen Rocha and Moises Chavez)

3:00-3:15 **Break**

3:15-4:30 **Continue Reviewing Tier 3 AL Template** (Carmen Rocha and Moises Chavez)

4:30-4:45 **Concluding Remarks** (Administrative Law Judge: Gary Weatherford)